



INDIA'S RURAL LABOUR SCENARIO: CHALLENGES & OPPORTUNITIES

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ABSTRACT

The rural is the home of over 70% of the population in India. Their primary source of income is agriculture. Agricultural practices are affected by a variety of factors, including the reliance on rainfall, financial constraints, and outdated practices. Because of the abundance of employment opportunities in cities, people are moving from villages to cities in search of employment. This is increasing the density of the urban population. It dropped from 7.8% in June 2022 to 6.8% in July 2022. Rural populations have access to substantial employment opportunities in the agriculture sector. The problem of rural labour in India is further compounded by the issue of migration. Rural-urban migration is a common phenomenon in India, with millions of people moving from rural to urban areas in search of employment opportunities. The lack of job opportunities in rural areas is a significant driver of rural-urban migration. However, urban areas are often ill-equipped to handle the influx of migrants, which leads to the formation of slums and other informal settlements. These settlements lack basic amenities like clean water, sanitation, and healthcare, which puts the migrants at risk of disease and other health issues. The migration of rural labourers to urban areas is not only an issue of concern for urban areas but also for rural areas. The migration of young and able-bodied workers from rural areas has significant implications for agriculture and other rural industries. The shortage of labour in rural areas can lead to a decline in agricultural productivity, which can have severe consequences for food security and rural livelihoods. It is imperative to establish numerous employment opportunities in rural India as soon as possible. Establishing jobs in rural regions is crucial in preparing for impending pandemics since it can prevent significant economic damage. Numerous job opportunities can be created in rural areas by boosting the agricultural sector, promoting nonfarm activities, establishing service sector businesses, and developing clean energy enterprises. The government needs to invest in rural infrastructure, enforce labour laws, provide credit to rural people, create job opportunities in rural areas, and promote balanced economic development across the country. Only then can we hope to address these issues and create a more equitable and prosperous society for all.

KEYWORDS: Rural, Agricultural, Employment, Opportunities, Technology and Institutions

INTRODUCTION

The rural is the home of over 70% of the population in India. Their primary source of income is agriculture. Agricultural practices are affected by a variety of factors, including the reliance on rainfall, financial constraints, and outdated practices. Because of the abundance of employment opportunities in cities, people are moving from villages to cities in search of employment. This is increasing the density of the urban population. As of March 2020, India had an unemployment rate of 8.4%. In May 2020, it rose to 27% due to the COVID-19 pandemic. It dropped from 7.8% in June 2022 to 6.8% in July 2022¹

Rural populations have access to substantial employment opportunities in the agriculture sector. In order to be successful in agriculture, farmers must have essential skills in cultivating different crops. For rural communities to be able to efficiently utilize available resources and learn different scientific methods, agricultural training institutes need to be established. The use of water, electricity, fertilizers, pesticides, and seeds efficiently is essential to increasing production and profit for farmers. Other than agriculture, dairy, forestry, value addition, and processing create many employment opportunities, such as honey bee production, backyard poultry farming, seed production, biofertilizer production, biogas production, farmyard manure,

and vermicompost production. Rural residents with excellent education can find employment opportunities in the healthcare and medical sectors. For the well-being of rural people, graduates of healthcare and medicine return to their villages to set up clinics and eye care centres. Rural areas have a need for skilled and unskilled labour for setting up clinics, eye care centres, and livestock centres. Different handicraft products are produced in rural areas by both men and women. There are various types of handicrafts produced in rural areas, such as pottery making, embroidery work, preparing decorative items and clothing, and making plastic garlands. By learning handicrafts from their parents, the children are able to expand their business and market it effectively. Agricultural products from the farms of rural farmers are generally sold directly to consumers, such as milk, vegetables, fruits, and some other products. It is becoming more common in rural areas to produce value-added products such as jaggery, butter, ghee, candies, papads, khakra, bakery products, and other food products. Agarbatti making and wax products are also sold by farmers besides food. Providing financial assistance to rural entrepreneurs is one of the functions of the Ministry of Small and Medium Enterprises (MSME). People with desired skills can find employment repairing two-wheelers, four-wheelers, and tractors. Agricultural activities nowadays rely heavily on

machines, so it creates employment year-round. Rural areas produce more employment opportunities as a result of the development of technologies. In today's world, most schemes are available online or on an individual basis. Technology centers in villages serve as a repository for people applying for any benefits that are available. A variety of jobs are available to rural people, including electrical work, plumbing, driving, gardening, carpentry, and painting. The works are the result of people's experiences and the education received at different institutions.²

India's rural economy has been centred around agriculture ever since the beginning of settled life in the subcontinent. Social, political, and technological progress have occurred around this central activity. A similar movement of workers from primary to secondary and then to tertiary sectors is also expected to accompany this product side transformation. While India has succeeded in transforming its GDP composition, its performance in sectoral transformation of labour market is far from satisfactory. It is true that the share of agriculture and allied activities have come down from more than 85 per cent in early 1980s to little more than 50 per cent in 2018, but compared to the change in GDP composition or to other countries at similar levels of development, this reduction is too little. In addition, researchers have questioned the desirability of this process too as labour shift may be forced and distress-driven rather than due to pull factors. In recent years arguments have been put out regarding the job-less growth and even job-loss growth in India in which the brunt is borne by the rural labour market.³

Rural labour, bondage, and migration are persistent and complex issues in India. Despite the significant economic growth and development witnessed in the country, these problems continue to afflict the rural population, especially those who depend on agriculture and allied activities for their livelihoods. The issues of rural labour, bondage, and migration are interconnected and require a comprehensive approach to tackle them effectively. This essay explores the challenges associated with these issues, their causes, and possible solutions. One of the significant challenges of rural labour in India is the low wages and poor working conditions. The agricultural sector, which is the primary employer of rural labour, has traditionally offered low wages and meager social security benefits. Moreover, labour laws in India are not effectively enforced in rural areas, resulting in the exploitation of workers. Many rural workers are employed on a daily wage basis, which provides them with little job security and no access to benefits like healthcare, pensions, and insurance. This precariousness makes it difficult for rural workers to improve their living conditions, which perpetuates poverty in rural areas.

Another critical issue associated with rural labour in India is bonded labour. Bonded labour is a form of modern slavery where people are forced to work in exchange for the repayment of a debt. Bonded labour is prevalent in rural areas, where poor people are often unable to secure loans from formal institutions and end up borrowing money from local moneylenders at high-interest rates. The borrowers are then forced to work for the moneylender until the debt is paid off, which can take years.

The practice of bonded labour is illegal in India, but it continues to exist, especially in rural areas.

It is observed that while population increased by about 38 million during 2011-18, labour force increased by about 11.5 million. However, number of workers declined by 6.4 million during this time, thereby adding about 18 million individuals to the rank of unemployed. This broad trend does not reveal that the problem is mainly a rural one – the job loss has been entirely in the rural areas (a decline of about 15 million workers) while urban areas have witnessed an increase of 8 million workers. While a part of this can be attributed to rural-urban migration (rural labour decreased by 3.5 million during this period), it does not account for majority of the job-loss witnessed. The core reason is that Agriculture is losing workers at a fast rate while the slack is not being picked up by other non-farm sectors in rural areas.⁴

Employment Status A marginal drop in Labour Force Participation rate (LFPR) in rural India was witnessed during 2011-18 accompanied by a fall in employment rate as well, indicating lower absorption of rural labour into productive jobs. This has resulted in a decline of about 15 million workers in the rural areas during this period. But what is more revealing is that the job-loss has been driven entirely by a decline in number of Casual Workers showing a decrease by 30 million during the period. While self-employed (cultivators, craftsmen, petty traders, professionals, etc) showed a marginal increase, regular workers increased by about 13 million. A large part of the increase in regular workers was because of employment of teachers and medical personnel in rural areas during the decade as part of the rural social sector push. This is in sharp contrast to the trends of earlier decade where self-employment and regular salaried jobs had declined along with a rise in casual wage labour. Thus the broad picture is that of decreased work participation, further slower labour absorption, increased unemployment and a reversal of the casualisation process witnessed earlier.

It is sometimes argued that the sectoral movement from agriculture to other non-farm sectors is a sign of development and is bound to happen as an economy matures. Only when the new jobs are better in terms of occupational hierarchy and more remunerative can we say that the shift of workers are voluntary, in response to economic incentive and therefore a sign of dynamism in the economy. However, if we find that the new jobs are occupationally at the same or lower status, and are not sufficiently remunerative, we have to accept that the shift is involuntary and forced and is therefore a sign of rural distress. It is observed that while workers in agricultural sector have declined as a whole, there has been a rise in processing jobs within agro-sector indicating saturation, or even overflow, of farming/cultivation in terms of labour absorption. At the same time, this is also a sign of shift up the value chain. While share of manufacturing sector employment has declined, within the sector the share of labourers has increased compared to artisans and self-employed. Almost all of the increase in construction and service sector jobs have been for labourers and service providers rather than in administrative/managerial

jobs. It is therefore evident that the movement of workers away from the agricultural sector involves mainly a shift of surplus farm-labour into other non-farm manual work, especially in construction, manufacturing, and transport. If this shift is demand induced and growth-driven then it would be dynamic and is likely to lead to a virtuous development trajectory. However, if the shift is supply induced and distress-driven, then the process is likely to create stagnation and crisis in the countryside. Let us examine the data & evidence in this regard. There are also evidences to show that productivity, wages and working conditions is generally higher in the non-farm sector than in the farm sector. The hierarchy generally applicable in rural India runs as follows – Regular Salaried households are at the top of the pile, enjoying perhaps the highest socioeconomic status in the countryside. Then comes the non-agricultural labourer households while the agricultural labourer households are at the bottom of the ladder. Shift of workers from the bottom towards the top would be a welcome trend and in reality we have witnessed a long run declining trend in proportion of households reporting cultivation as their predominant source of income and a rise in proportions of households reporting self-employment in non-agriculture and regular salaried job as their predominant sources of income. However, the period between 2011-18 has been quite different. While there is a substantial drop in proportion of households reporting agricultural labour as their predominant source of income, the proportion halved from over 20 per cent in 2011-12 to about 10 per cent in 2018-19, the share of self-employed in agriculture or cultivators has gone up. There is a drop in share of households reporting self-employment in non-agriculture as their predominant source of income.⁵

This is only possible if majority of the non-agricultural workers are engaged in low paying irregular jobs, and households have a diversified labour-use pattern with some family members (who are surplus farm labour) taking up whatever off-farm work is available to supplement family income. This logic is supported by the fact that wage increase during this decade has been lower in non-agricultural occupations compared to agricultural occupations. The process at play is thus a distress driven supply push of surplus agricultural labourers into nonfarm jobs that are irregular and ill-paid and does not contribute much to the gross household income. All these indicate that rural workers are not finding agricultural work and bereft of adequate human capital, the surplus labourers are either getting into low-productive, low-paid manual non-farm jobs or are falling back to self-cultivation of their marginal land holding for 8 livelihood. The transformation process is therefore completely under duress and not something to be proud of.

REVIEW OF LITERATURE

Being a recent move, there have been various researches on different aspects of the initiative ranging from the economical to social and ethical dimensions. Some of these researches retrieved through internet searches have been reviewed here: Singh, Sukhpal (2009)⁶ In his article “Survival of Agricultural Labour in Punjab - A Burning Question” has pleaded for ensuring the security of agricultural labourers by giving housing plots of at least 5 marls of land. Further non-farm employment

opportunities should be generated for agricultural labourers. He has pleaded for a debt-waiver scheme in favour of agricultural labourers as is done in case of farmers by the government and to ensure employment NREGA scheme should be implemented effectively. Social security measures must be initiated in the rural areas for taking care of health, education of the children and social commitments in favour of agricultural labourers. The author has pleaded for setting up of an Agricultural Labour Commission for addressing the multi-pronged problems of agricultural labourers.

Vijayabaskar M., (2010)⁷ In his article “Saving Agricultural Labour from Agriculture: SEZs and Politics of Silence in Tamil Nadu” has highlighted how the intensity of farmers in Tamil Nadu are submitting to the public policy of land acquisition for non-farm activities thereby pushing the vulnerable sections of agricultural labourers to the non-farm occupation. Social considerations like caste antipathy towards the Dalit labourers who generally are more involved in agricultural labour has also its role in reducing agricultural employment to such caste groups.

Srivastava, Nisha and Srivastava, Ravi (2010)⁸ In their article found that women are still largely self-employed or employed as casual labour in agriculture. They found that women's are exposed to various forms of discriminations. They also observed that for women who are in the workforce education is the most important factor. They put forward that policy interventions would enhance wages for rural women workers.

METHODOLOGY

The method used in this paper is descriptive-evaluative method. The study is mainly review based. It is purely supported by secondary source of data, i.e. books, journals, papers and articles and internet.

Category	2011-12			2018-19		
	Male	Female	All	Male	Female	All
Not in Labourforce@	45.3	81.9	63.2	45.3	83.0	63.8
Unemployed#	1.2	0.5	0.8	3.2	0.7	2.0
Self Employed^	29.0	9.4	19.4	29.4	9.1	19.5
Casual Labourer^	19.1	6.8	13.1	14.7	5.1	9.9
Regular Salaried Worker^	5.4	1.3	3.4	7.4	2.1	8.4

Source: Authors' calculation based on NSSO (2012, 2018)

Table 1: Rural Work Participation and Employment Types (as proportion of 6+ population)

Category	Change between 2011-18		
	Male	Female	All
LABOURFORCE	0.8	(-)4.3	(-)3.5
ALL WORKERS	(-)9.3	(-)5.4	(-)14.7
Self Employed	2.5	(-)0.7	1.8
Casual Labourer	(-)21.5	(-)8.0	(-)29.5

Regular Salaried Worker	9.6	3.4	13.0
UNEMPLOYED	10.1	1.0	11.1

Source: Authors' calculation based on NSSO (2012, 2018)

Table 2: Absolute Changes in Rural Labour Market – 2011-18 (in millions)

The structural challenges that are faced in the rural economy are mostly related to the agriculture sector since it is still the dominating livelihood option for the rural masses. The first factor that needs mention is the adverse land man ratio which is deteriorating further. The average size of land-holding has decreased from approximately 2.3 hectares in 1970-71 to about 1.1 hectares in 2015-16. The second factor is the lack of capital formation in agriculture in recent decades. National Accounts Statistics shows that during the period 2011-18, Gross Capital Formation in Agriculture and allied activities declined in real terms from Rs. 2738.7 billion to Rs. 2737.5 billion (at constant 2011-12 prices). The share of public sector in this is just about 15 per cent (NAS, various years). This has happened as the government at Centre and States are increasingly focussing on sectors other than agriculture and even within agriculture at revenue expenditure like subsidies on inputs, MSP support, loan waivers etc. The third factor, which also relates to infrastructure, is the lack of proper agricultural storage system in the country. The 9 storage and management of foodgrains are undertaken by Food Corporation of India, and there are ample reports of loss due to poor storage by FCI. According to NCCD (2015), India has 37.4 million tonnes of Cold Storage capacity in 2019-20, as opposed to a requirement of 35.1 million tonnes. The fourth structural problem is lack of both rural industrialisation and rural service sector growth. While MSMEs in rural India are thwarted by lack of reliable infrastructure (frequent power cuts and brown-outs, pot-holed roads, being some of them), rural services sector are stifled as people in rural areas prefer to visit the nearby towns for their service needs. This lack of demand for local non-farm products & services in the rural areas has prevented dynamic transformation of the rural economy. The fifth structural factor that inhibits rural transformation is lack of trained and skilled manpower in the rural areas. Education and training facilities in the rural areas are poor, stuck in decades old routine and traditional learning processes, and even within that quality of teachers and teaching leaves much to be satisfactory. There is no connect between the skill demand in the modern industrial and service sectors and those that are routinely meted out in the name of vocational education in rural areas. Locals, lacking the skill necessary to work in modern capital intensive machine-dominant factories, simply do not get any benefit of such industrialisation. Often, the inputs of the factories are also brought in from outside and as a result this industrialisation process does have neither forward nor backward linkage with the rural economy.⁹

The problem of rural labour in India is further compounded by the issue of migration. Rural-urban migration is a common phenomenon in India, with millions of people moving from rural to urban areas in search of employment opportunities. The lack of job opportunities in rural areas is a significant driver of rural-urban migration. However, urban areas are often ill-equipped to handle the influx of migrants, which leads to the

formation of slums and other informal settlements. These settlements lack basic amenities like clean water, sanitation, and healthcare, which puts the migrants at risk of disease and other health issues. The migration of rural labourers to urban areas is not only an issue of concern for urban areas but also for rural areas. The migration of young and able-bodied workers from rural areas has significant implications for agriculture and other rural industries. The shortage of labour in rural areas can lead to a decline in agricultural productivity, which can have severe consequences for food security and rural livelihoods.¹⁰ The problems of rural labour, bondage, and migration in India have multiple causes. One of the main causes of low wages and poor working conditions in the agricultural sector is the lack of bargaining power of rural workers. The fragmented nature of agricultural landholdings in India makes it difficult for workers to organize and negotiate better wages and working conditions. Moreover, the government's policies have been skewed towards urban development, with little focus on rural development. This has resulted in a lack of investment in rural infrastructure and services, which has contributed to the migration of rural labour to urban areas. The issue of bonded labour in India is closely linked to poverty and the lack of access to formal credit. Many rural people are unable to secure loans from formal institutions due to their lack of collateral or credit history. As a result, they are forced to borrow from local moneylenders who charge exorbitant interest rates. The borrowers are then trapped in a cycle of debt, which often leads to bonded labour. The problem of migration in India has its roots in the uneven distribution of economic opportunities and development across the country. The lack of job opportunities in rural areas and the concentration of economic activity in urban areas has created a significant urban-rural divide. Moreover, the lack of infrastructure and basic services in rural areas has also contributed to the migration of rural workers to urban areas.¹¹

The problems of rural labour in India, a multi-pronged approach is Required:

- Firstly, the government needs to invest in rural infrastructure, such as roads, irrigation facilities, and healthcare, to improve the living conditions of rural people. This will not only provide better living conditions but also create job opportunities in rural areas, which will help stem the tide of migration to urban areas.
- Secondly, the government needs to enforce labour laws more effectively, particularly in rural areas. The government needs to ensure that workers in rural areas receive fair wages and working conditions and that their rights are protected. The government should also provide social security benefits to rural workers, such as healthcare, pensions, and insurance.
- Thirdly, the government needs to take a more active role in providing credit to rural people. The government should encourage the formation of cooperatives and self-help groups to provide credit to rural people at reasonable interest rates. This will help to reduce the reliance on moneylenders and reduce the incidence of bonded labour.
- Fourthly, the government needs to focus on creating job opportunities in rural areas. This can be done by promoting rural industries, such as food processing, handicrafts, and

textiles, and by providing training to rural workers to equip them with the skills needed for these industries.

- Lastly, the government needs to take steps to bridge the urban-rural divide by promoting balanced economic development across the country. This can be done by providing incentives for industries to set up in rural areas and by investing in rural infrastructure and services.

CONCLUSION:

It is imperative to establish numerous employment opportunities in rural India as soon as possible. Establishing jobs in rural regions is crucial in preparing for impending pandemics since it can prevent significant economic damage. Numerous job opportunities can be created in rural areas by boosting the agricultural sector, promoting nonfarm activities, establishing service sector businesses, and developing clean energy enterprises. The government needs to invest in rural infrastructure, enforce labour laws, provide credit to rural people, create job opportunities in rural areas, and promote balanced economic development across the country. Only then can we hope to address these issues and create a more equitable and prosperous society for all.

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